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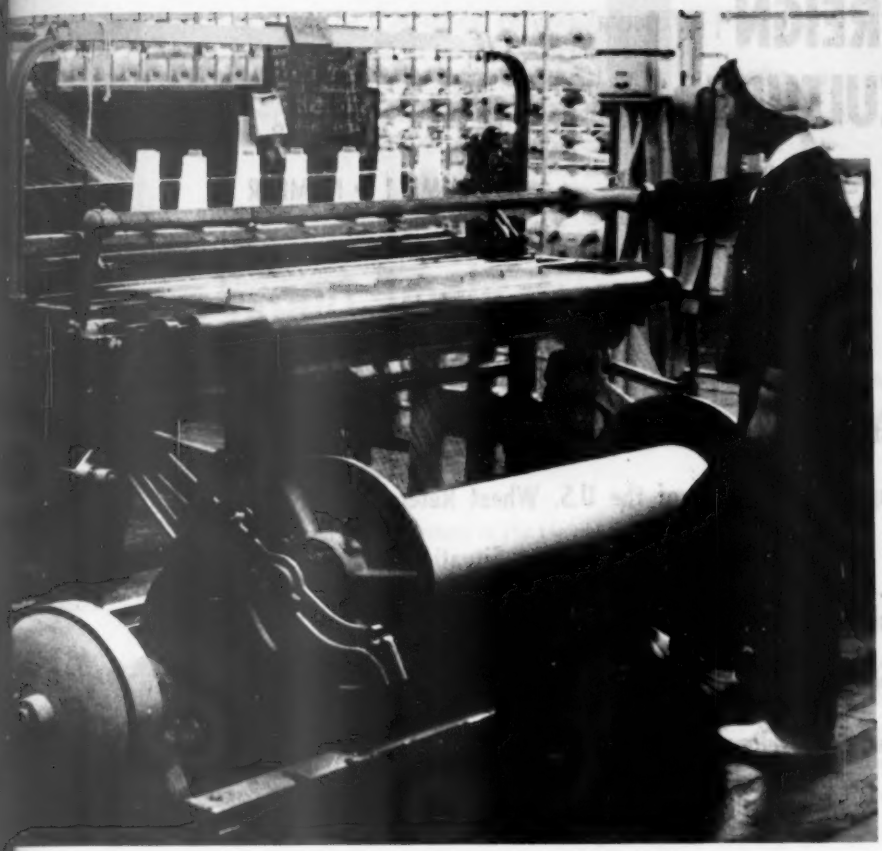

MAY 27, 1963

JUN 1 9 1963

PERIODICAL
READING ROOM

WHEAT REFERENDUM, EXPORT IMPLICATIONS

THE FREE WORLD COTTON SITUATION

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

MAY 27, 1963

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Young factory worker operates super warper in big Japanese spinning mill. In recent months country's cotton industry has been moving at a slower pace.

Contents

3 Export Implications of the U.S. Wheat Referendum

4 A Look at the Free World Cotton Situation

6 Chile Conducts Aerial Farm Survey

7 Chile's Agrarian Reform Moves Ahead

8 Market Development

- Spain Makes Record $125,000 Purchase of Top U.S. Breeding Cattle and Swine
- Typical U.S. Meals at Japanese Show
- Potential Dollar Markets Seen in P.L. 480 Areas
- U.S. Exhibit To Promote American Food in Cologne This Fall at the ANUGA Fair
- Philippine Soap Industry Pushes U.S. Sales of Tallow and Grease Upward

10 World Crops and Markets (Commodity index on page 16)

Orville L. Freeman, Secretary of Agriculture

Roland R. Renne, Assistant Secretary for International Affairs

Raymond A. Ioanes, Administrator, Foreign Agricultural Service

Editor: Alice Fray Nelson **Associate Editor:** Ruth A. Oviatt

Advisory Board:

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DEPOSITED BY THE
UNITED STATES OF AMERICA

In his statement on the U.S. wheat referendum of May 21, given here, Secretary of Agriculture Orville L. Freeman announces there will be no dumping on world markets, that International Wheat Agreement obligations will be observed.

Export Implications of THE U.S. WHEAT REFERENDUM

Yesterday, wheat farmers in the United States, with complete information on the alternatives open to them, chose to reject national marketing quotas for the 1964 crop. It means that for the next year unlimited wheat production with no price support is an option open to every American farmer.

It is the earnest hope of the Secretary of Agriculture and this Administration that wheat farmers and our agricultural economy in particular and our national economy in general will benefit from this decision freely made by American farmers at the ballot box. We will do everything in our power to that end. There will be no dumping of CCC wheat. CCC sales of wheat for unrestricted use in domestic markets will be limited in 1964 to prices 5 percent higher than the price support of $1.25 plus reasonable carrying charges.

The wheat program, however, is a continuing program. Since 1938 Congress has wisely provided an alternative to acreage allotments and marketing quotas, to be effective if marketing quotas are not approved. That alternative program as provided by law will be in effect for the 1964 crop.

The 1964 wheat program provides price supports at 50 percent of parity for producers who voluntarily choose to comply with the acreage allotments applicable to their farms. Such farmers will be eligible for price support loans on the 1964 crop at about $1.25 a bushel.

This program then will be in effect for the 1964 wheat crop. If it works satisfactorily and farm income is maintained and wheat supplies are not excessive—as those who urged a "no" vote in the referendum confidently predicted—no further program will be necessary. In any event, this point of view, which prevailed in the referendum, is entitled to a full and fair trial. Only when we see what happens can we be certain what program is the best.

If, however, supplies of wheat in 1963-64 prove to be excessive, the Secretary of Agriculture under the law must proclaim a national marketing quota and a national acreage allotment for the 1965 crop of wheat prior to April 15, 1964. And a referendum must by law then be held within 60 days after such a marketing quota is announced, to determine if two-thirds of the wheat farmers support quotas. This means that, should the program voted in on May 21, 1963, not succeed, a referendum will be held for the 1965 crop prior to June 13, 1964.

In the world market, we can and will continue to fulfill our obligations under the International Wheat Agreement despite the current price and production uncertainty. This will be done under authority delegated to the Secretary of Agriculture by the President. The United States will work with the International Wheat Council and with its member countries and with the wheat trade and wheat producers to preserve the stability of world wheat markets and world wheat prices which we have so long sought together. Sales for export will be handled in normal channels of trade to the maximum extent possible consistent with the fulfillment of our international obligations. There will be no dumping of U.S. wheat in world markets.

A Look at the FREE WORLD COTTON SITUATION

Indications are that importing countries will use less cotton this season and that their imports and stocks will decline considerably.

By VERNON L. HARNESS
Cotton Division
Foreign Agricultural Service

The cotton consumption and trade situation has become less favorable in most foreign Free World importing countries as the current marketing season (August 1962-July 1963) has progressed. In general, imports have declined more than consumption, and this, in turn, has resulted in a further reduction in raw cotton stocks from the already low level at the beginning of the season.

The rate of mill offtake is slower for a number of reasons. After holding at record levels for more than two marketing seasons, consumption of cotton declined in the last half of 1961-62 and through the first half of the current season, to allow reductions in inventories of yarn and finished goods. Retail sales of cotton goods in Western Europe were held down by the unusually cold, wet summer of 1962, and by continued stiff competition from manmade fibers. Also, more emphasis is being placed on consumption for home use and for exportation of textiles by many cotton-producing countries faced with larger crops and the desire to gain additional foreign exchange.

As indicated by the present outlook, total cotton consumption this season in foreign Free World importing countries may decline one-half million bales (500 pounds gross) or more from the 17.9 million used in 1961-62. Also, total imports into these countries may fall .3 million bales or more below last season's 12.5 million.

This reduced volume of raw cotton imports reflects not only slackened domestic and export demand for textiles, but also deferment of cotton purchases in the face of record world supplies. Forward commitments have also been discouraged by uncertainty over U.S. cotton policy, the prospect of legislative action that may develop out of the lower volume of U.S. exports this season, and the consequent buildup by August 1 of the U.S. supply.

The Common Market countries

Except for Italy, where the mill activity has been good and consumption has held up well, the Market countries got off to a slow start this year; and though the cotton picture now seems somewhat brighter, consumption and imports are expected to be below last year's levels.

After a relatively slow few months in the early part of the current season, *Belgian* cotton spinners and weavers now seem more optimistic. Reportedly, most mill orderbooks are at present well filled. Both imports and consumption in the first 4 months of 1962-63 dropped considerably below the 144,000 bales imported and used in the same period of 1961-62. Total consumption this season appears likely to fall 20,000 to 30,000 bales below the 396,000 used last season; also, imports may drop even more sharply and thus pull stocks down substantially.

The outlook in the *French* textile industry has recently become more optimistic following the moderate slowdown during 1961-62 and the first half of the current season. The rate of mill activity has reportedly improved slightly since January, while stocks of both yarn and fabric have eased. At the same time, mill orders for yarn and fabric have picked up considerably.

Consumption this season is expected to be down about 50,000 bales from the 1,285,000 used in 1961-62. And though imports have failed to keep pace with mill offtake, total imports this season should about equal consumption if near-minimum stocks are to be maintained.

Mill activity in *West Germany* during the first half of this season continued the lower rate started in 1961-62, so that consumption fell about 10 percent below the 714,000 bales used in the like period of the preceding season. At the same time, output of manmade fibers rose moderately in the first 6 months of the current season. However, consumer purchases of cotton goods are rising and mill orderbooks compare favorably with a year ago.

Though imports in the period under review were equal to the 668,000 bales in the first half of 1961-62, supplies from the United States fell to only 41,000 bales, or 6 percent of the total. Imports and consumption during the full 1961-62 season may drop below 1,300,000 bales, against 1,296,000 imported and 1,375,000 used in 1961-62.

Earlier indications of a highly successful 1962-63 season in *Italy's* cotton textile industry were confirmed in the first half. Consumption in August-January was 3 percent above the 332,000 bales used in the comparable 6 months a year earlier. Consumer purchases of cotton goods seem to be holding up well. Imports, however, have lagged behind consumption, causing stocks to decline.

While Italian imports and consumption in the full season are expected to equal or slightly exceed the relatively high 1961-62 figures, some unfavorable signs are showing up. Reportedly, profit margins are narrowing, and competition from manmade fibers is rising.

According to recent reports, stocks of yarn and textiles rose in *the Netherlands* in the first several months of

1962-63, and some mills have reduced their work week. In the first 5 months of the current season, the Dutch cotton industry used about 6 percent less cotton than the 155,000 bales a year earlier. Imports fell more sharply, and stocks were pulled down considerably. Present indications are that total consumption this season will be 6 to 8 percent below the 354,000 bales consumed in 1961-62.

Other European countries

Consumption of cotton in the *United Kingdom* continued to sag in the first half of 1962-63 as mills used 7 percent less than in the same months a year earlier. Though there are signs of improvement, consumption in the full season probably will fall to the longtime low of less than 1 million bales. However, retail sales during the spring and summer could well pick up from the low level of the past year, when Western Europe experienced unusually cold and wet weather. Imports of cotton during August-January 1962-63 fared better than consumption because of the need to replenish relatively small stocks.

Consumption in *Swiss* cotton mills during the first 6 months of the present season fell an estimated 4 percent from the 97,000 bales used in August-January 1961-62. Reportedly, much of the slack left by lower cotton consumption was filled by larger use of manmade fibers. While the immediate outlook is brightened somewhat by increases in new orders for yarn and continued brisk retail sales, imports and consumption during the full 1962-63 season may fall 8,000 to 10,000 bales below the 193,000 imported and 195,000 used in 1961-62.

The cotton industry in *Sweden* has attempted to halt declining cotton consumption by shifting to high-quality textiles in Scandinavian design and pushing textile exports, especially within the European Free Trade Association. Nevertheless, cotton consumption declined from 66,000 bales in the first half of the 1961-62 season to 57,000 in the first half of 1962-63. Imports of raw cotton declined more sharply. Production of rayon yarn, on the other hand, rose considerably, so that this fiber now accounts for over one-fourth of Sweden's textile output.

Stocks of cotton in *Spain* are expected to fall substantially this season from the record high of 360,000 bales on hand on August 1, 1962, as the result of a sharp decline in imports and a continued heavy consumption. Spain's domestic cotton crop this season—around 510,000 bales from 818,000 acres—exceeded the 1961-62 record.

Imports this season may not exceed 30,000 to 40,000 bales, compared with 352,000 in 1961-62; and since cotton consumption during the first half of 1962-63 totaled moderately less than the 290,000 used in the first 6 months of last season, for the full 1962-63 season it may decline around 5 percent from the alltime high of 620,000 in 1961-62. Contrary to the general trend, Spain's cotton consumption has risen in recent years, while mill use of manmade fibers has fallen considerably.

Use of rayon staple in *Austria's* cotton spinning mills rose noticeably in the first half of this season, largely because of a price advantage over cotton, while consumption of cotton dipped 13 percent from the 67,000 bales used in the first 6 months of 1961-62. Rising imports of gray goods and smaller exports of cotton textiles to Common Market countries also caused less cotton to be used. Consequently, the present outlook is that Austria's total cotton use in 1962-63 will be about 5 percent below the 128,000 bales used in 1961-62.

Portugal is again having an exceptionally good season. Both imports and use of cotton in the first half of the current season were ahead of the same 1961-62 period. Indications now are that cotton consumption in the full 1962-63 season should reach or slightly exceed the total of 300,000 bales consumed last season. Imports of cotton are likely to equal consumption and leave stocks unchanged.

Asia and Canada

Activity in the *Japanese* cotton industry during the first 5 months of 1962-63 was considerably below the comparable period a year earlier, when 1,201,000 bales were imported and 1,529,000 were used. This reduced pace, which reflects efforts to pull down large inventories of yarn and other cotton goods, is being accomplished by continued curtailment of operations on about one-fourth of Japan's cotton spindles. Since burdensome stocks of cotton goods have been reduced to more moderate levels in recent months and equipment sealage is expected to continue at the present rate, mill use of raw cotton is likely to hold up during the rest of this season.

Total consumption in Japan should be around 3 million bales, compared with 3,270,000 in 1961-62. It now appears that total imports this season may not equal mill offtake, although imports of cotton could equal or exceed slightly the 1961-62 figure of 2,843,000 bales.

Lower imports and consumption in *Hong Kong* are expected this season, partly as a result of increased competition in several textile import markets. Consumption in the first 3 months of the present season reached only 81,000 bales, 6 percent below a year earlier. Imports fared somewhat better, and this resulted in a small rise in stocks. Hong Kong may import and use 5 to 10 percent less cotton this season than a year earlier; however, consumption should exceed the annual average of 390,000 bales used in the past 5 seasons.

Contrary to earlier predictions, *India's* cotton consumption in the first 5 months of this season was lower than the 2,075,000 bales used a year earlier. This reflects the noticeable decline in textile exports and readjustments in industrial and commercial activities following the outbreak of border hostilities with Communist China. Nevertheless, total consumption this season may be only slightly below the 4,925,000 bales used in 1961-62 as domestic offtake remains strong.

Activity in the *Canadian* cotton industry has slowed somewhat from the unusually favorable pace of last season. Consumption in the first 7 months of 1962-63 totaled 229,000 bales—below the 236,000 used in the same period a year earlier, but well above the average of 213,000 in the first 7 months of the past 5 years. As indicated by reduced imports thus far, Canada may import 80,000 to 85,000 bales less this season than it did in 1961-62.

Chile Conducts Aerial Farm Survey

By JEROME M. KUHL
U.S. Agricultural Attaché
Santiago, Chile

Within a few months, Chilean and U.S. technicians will complete a project in which 24,000 different aerial photographs have been taken of Chile's famous central valley—a strip about 100 miles wide where 89 percent of the people live on almost 100 percent of the agricultural land. In a downtown Santiago office building, farmers, ranchers, engineers, economists, and irrigation specialists are standing in line to buy copies of these valuable pictures.

Work on this project started in January 1961 with a $500,000 grant from the Organization of American States to survey damage caused by the earthquake that devastated Southern Chile in May 1960. The project was later expanded at the request of the Government of Chile into the Proyecto Aerofotogramétrico OEA/Chile, including the agricultural lands of the entire central valley; it is scheduled for completion in December of this year. About $2.7 million of the financing came from the Chilean Government's budget and the remaining $2.1 million, from an Inter-American Development Bank loan.

In this project, crews from Chile and the United States took thousands of aerial photographs from five specially equipped airplanes covering 300,000 square kilometers. On the ground, 20 technicians, using helicopters, trucks, and even mules, set up dozens of control points to tie in the photographs. With the photographs in hand, expert photo-interpreters and draftsmen, backed up by field teams of geologists, geomorphologists, foresters, and soil experts, are working on a series of overlays for each one. (An overlay is a piece of transparent paper or plastic over the photograph on which information can be placed).

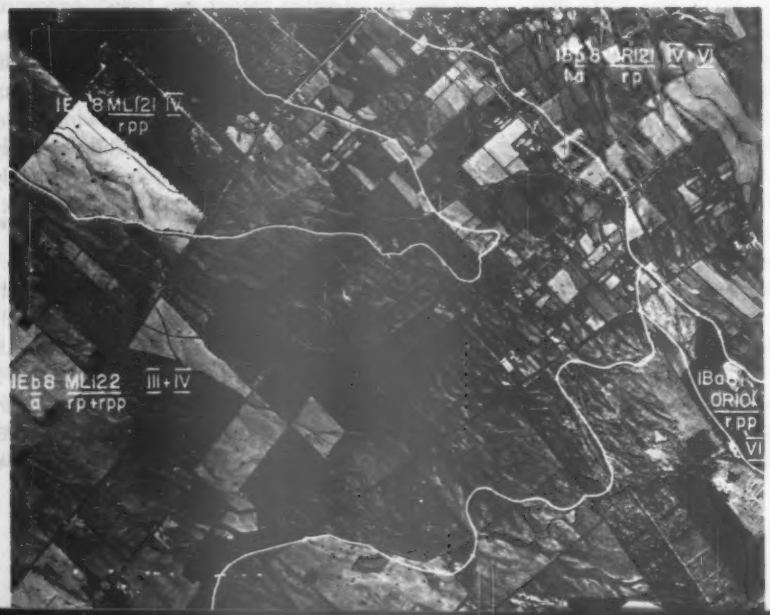
The first overlay shows property boundaries. As many as 48 field crews, armed with copies of the photographs and tax rolls, visited each piece of property, went over the boundaries with the owners, and transferred the property lines to the photographs. Later the area of properties outlined on the photographs will be carefully measured and the information made available to tax offices.

A second overlay shows the irrigation systems used for irrigating individual fields. This information will be invaluable for planning new irrigation projects, improving existing ones, and assuring efficient and equitable distribution of the vital water supply.

Another overlay shows actual land use. Each field, pasture, orchard, or woods is marked with an international code to indicate at a glance whether, for example, the land is being used for nonirrigated vineyard, irrigated truck crops, pasture, or cultivated forest.

A final overlay—which is necessary for Chile's agrarian reform and the equitable tax program—shows the capability of the land, including land classification (Class I through Class VIII). Each homogeneous area of land on the photograph is outlined and identified with a code symbol showing the soil name, the stage of weathering and the depth of the soil, its internal drainage classification, and the texture of the surface soil. Rural planners can use this overlay to spot poorly used land and make it subject to provisions of the two programs.

Chilean officials believe that never before has such a complete survey been made of such a large percentage of a country's agriculture in such a short time—less than 3 years from the first photograph to the final overlay. Besides being of great benefit to individual farmers, the photographs and overlays will be used by the Ministry of Agriculture in planning regional agricultural development and in specific agrarian reform projects; the Ministry of Public Works for highway studies, irrigation plans, and the reconstruction and redevelopment of earthquake-damaged cities; the Ministry of Land and Colonization for resettlement; and other groups.



Left is one of 24,000 aerial photographs of Chile's central valley. Here land capability is charted—the numbers and letters are used to describe the soil factors which limit agricultural use and land capability. Other pictures show agricultural boundaries, irrigation systems, and land use.

Chile's Agrarian Reform Moves Ahead

Chile's economic progress depends to a large extent upon its agricultural development. Only about 85 percent self-sufficient in food, Chile looks to the United States and the Food for Peace Program to supply an important part of what it lacks. At the same time, Chile is moving ahead on a farm program, including land reform.

Chilean agriculture entered a new era on November 28, 1962, with the publication of the country's new Agrarian Reform Law. For the first time since Pedro de Valdivia founded the city of Santiago in 1541, the ownership of agricultural land has been made contingent upon its proper use and improvement.

The agrarian reform is not directed against large land owners, for there is no limit on the size of well-worked farms and ranches. Instead, it is designed to make abandoned or poorly used land available to such farm people as laborers who want, and can manage, land of their own.

Three government organizations have been established to carry out the provisions of the law. The first of these is the 21-member Supreme Agricultural Development Council which is responsible for setting up policy guidelines. The Agrarian Reform Corporation is authorized to buy land, expropriate it in some cases, study its use, make necessary improvements, and divide it into family-size farms which are sold to eligible applicants on low-interest terms. Once the new owners are settled on the land, the Agricultural Development Institute takes over to supply them with credit and technical assistance.

Providing land for new farmers is not a new program in Chile. The Colonization Department of the Ministry of Lands settled over 4,800 families between 1928 and 1962, on over 2.5 million acres of land. The current program, however, has wide scope. Plans are being made to settle 7,000 farmers this year alone, and almost $60 million have been budgeted for this purpose.

—JEROME M. KUHL, *U.S. Agricultural Attaché, Chile*

Below, foreman of a farm near Rancagua applies for land under new agrarian law.

Former tenant farmers line up to receive titles to their own farms, once a large estate that was bought and divided into family units.

Left, harvesting melons on new family farm, and above, opening of new cooperative market.

Spain Makes Record $125,000 Purchase Of Top U.S. Breeding Cattle and Swine

Spanish Attaché Morales (bareheaded) is seen above in Texas corral where sales terms are being discussed, and inspecting, at left, a Santa Gertrudis bull and, at right, a Duroc Jersey.

The Spanish Government has just bought $125,000 worth of U.S. cattle and hogs, the largest purchase of U.S. livestock Spain has ever made.

The shipment—30 Santa Gertrudis cattle, 12 Holstein-Friesian cattle, and 64 Duroc Jersey hogs—was personally chosen from stock on a number of south Texas ranches by Adrian Morales, Spain's Agricultural Attaché to the United States, in consultation with FAS specialists.

Spain intends to crossbreed the U.S. animals with its own native stock, under a program which its livestock improvement organization is carrying out on experimental farms. Successful results from earlier cross-breeding with U.S. livestock have encouraged Spain to increase the U.S. strain.

The Spanish Government has bought U.S. livestock twice before. The first purchase—several Santa Gertrudis cattle—was made in 1956 and the second—28 Duroc Jersey hogs—in 1961. Private breeders bought 3 Holstein-Friesians in 1960.

Typical U.S. Meals at Japanese Show

Japan's first "World Food Exhibition" held in Osaka (March 19-24) and Tokyo (April 2-7) featured 7 major exhibits of U.S. agricultural products. The 12-country Exhibition was aimed at better dietary habits and nutritional standards in Japan through display of meals served in Western countries.

In Tokyo over 250,000 Japanese received information on the cost and vitamin and caloric content of foreign dishes. Typical Japanese meals—mostly rice and dried fish items—were shown near the Western exhibits.

The American "country exhibit" presented 3 meals prepared each day by a leading Japanese chef using menus provided by the USDA Agricultural Research Service. These U.S. cooperating groups showed specialty foods in additional booths: The U.S. Feed Grains Council, Wheat Associates, Inc., the Japanese-American Soybean Institute, and the Institute of American Poultry Industries.

A favorite with fair-goers was a separate sales area where six countries sold food items cooked on-the-spot. Of the U.S. exhibitors, Wheat Associates sold pancakes and pre-mixes; the Poultry Institute sold fried chicken.

Other countries represented were France, Indonesia, Australia, New Zealand, Argentina, West Germany, Italy, Britain, the USSR, and Mexico.

Potential Dollar Markets Seen in P.L. 480 Areas

In a speech before the 61st Annual Convention of the Millers' National Federation at Chicago, May 14, David L. Hume, Assistant Administrator of the Foreign Agricultural Service, called for more emphasis on building commercial sales in countries now taking U.S. commodities under government programs.

Noting that the Millers' National Federation was one of the first trade organizations to enter a cooperative arrangement with FAS to expand foreign exports, Mr. Hume said that selling and promotion efforts have naturally been focused primarily on commercial outlets in the developed countries.

"However, I would ask you to think about your longterm interests," said Mr .Hume, "in some of the 55 countries where your products are moving in large volume under government programs.

"Our challenge," said Mr. Hume, "is to help convert these areas insofar as possible into commercial markets."

Mr. Hume went on to call attention to Japan, now No. 1 foreign buyer of U.S. agricultural products, but once eligible to receive commodities under P.L. 480—as was Spain, now No. 1 cash buyer of U.S. soybean oil.

"Exports of U.S. wheat flour under government programs—in addition to feeding hungry people and helping sustain nations friendly to the United States," he said, "are also creating new patterns of consumption.

"We know from experience that cooperation between industry and government can help expand foreign markets for U.S. agricultural products. But, for the most part, the level of success depends upon the interest and support of your companies. It will take time and effort, but I firmly believe there are real opportunities ahead. The Foreign Agricultural Service stands ready to work with you in realizing these opportunities."

U.S. Exhibit To Promote American Food In Cologne This Fall at the ANUGA Fair

The USDA, in cooperation with the American food industry, will stage its first major European trade exhibit of 1963 at the ANUGA International Fair to be held in Cologne, Germany, September 21 through 29. One of the largest food exhibitions on the Continent, the Cologne fair is expected to draw some 250,000 persons, including trade representatives from Germany and other West European countries.

Featured attraction of the 20,000-square-foot U.S. exhibit will be a self-service market, the sales operation that proved a hit at four European fairs last year. Here, in about one-fourth of the total display area, 80 to 100 U.S. food firms will sell dry and refrigerated processed food.

On hand to answer queries of buyers will be U.S. processed food industry personnel. At a kitchen in the heart of the sales area food demonstrations will be held and samples offered.

Trade associations participating in U.S. export development will also display and demonstrate their specialty foods in a separate area. These include: nonfat dry milk and soft ice cream; wheat food products, including mixes and convenience specialties; rice; honey; canned, dried, and fresh fruit; turkey roll and fried chicken; and soybean products. In addition, a U.S. Pure Food Exhibit will stress the wholesomeness of U.S. foods.

Specifically aimed at businessmen will be a trade lounge, strategically located and manned by U.S. representatives of trade and government. During the 9-day period, receptions will be held by each of the U.S. commodity groups. The lounge will also provide a key meeting place on special days when only trades people will attend the Fair.

Participation in Cologne is open to all processors of U.S. food products. There is no space rental charge, but each manufacturer is assessed a portion of sales receipts. Participating firms select the products to be featured, set the sales prices, and deliver their goods prepaid and custom cleared in Cologne. Upon completion of the fair, an accounting will be made to each supplier.

Entrance to Cologne's ANUGA Food Fair, being held again this year.

Kits containing detailed information about the Cologne exhibit and about the large U.S. food and agriculture fair in Amsterdam in November are available to U.S. business firms. Firms may write for the kits to the International Trade Fairs Division, Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D.C.

Markets To Watch—

Philippine Soap Industry Pushes U.S. Sales of Tallow and Grease Upward

U.S. tallow and grease exports to the Republic of the Philippines have grown substantially in recent years—rising from an average of 14.8 million pounds during 1956-60 to 21 million in 1962. Further increases are likely.

Philippine imports of tallow and grease began to rise when the government limited imports of soap several years ago to encourage domestic production. The United States is the almost exclusive supplier of tallow for this industry.

What little tallow the Philippines produce goes into products for human consumption and cannot be spared for soap-making. Imported tallow is made into laundry and toilet soap—about 70 percent for laundry and 30 percent for toilet soap. There are now over 100 large soap manufacturers and probably several hundred smaller producers operating.

Other small but growing industries are also taking tallow. The cosmetics firms are using tallow as a base for cold creams and lipsticks; industry to finish paper and make various types of lubricants and pharmaceuticals for medicinal salves and balms. Some future use of tallow is foreseen as an additive to livestock and poultry feeds; however, most Philippine livestock producers cannot yet afford commercial feeds.

Price will be the principal determinant of the source of exports. Although U.S. tallow is priced slightly above that of other countries, its high quality and the Philippines' long-standing preference for U.S. products give U.S. tallow an edge. The Philippine general tariff on tallow is 20 percent of the import value, but U.S. tallow is dutiable at 15 percent.

Another factor is how the price of imported tallow and grease compares with that of coconut oil. Any significant increase in the price of tallow and grease could reduce their consumption. Another setback could be replacement of laundry soaps by detergents, not now in common use.

U.S. Feed Grain Exports Still Above 1961-62

U.S. feed grain shipments totaled 10.5 million metric tons for July-March 1962-63, compared with 9.6 million tons for the same period a year ago.

Corn and barley were the principal feed grains exported, with corn shipments totaling 6.9 million tons and barley exports, 2.2 million tons.

The *World Agricultural Production and Trade Statistical Report* for May will carry a table with details.

Peruvian Drought Reduces Rice Crop

Drought in Peru has reduced the current rice harvest (May-June) about 45 percent below last season's bumper crop. From the forecast of about 125,000 metric tons milled, the crop is 102,000 less than in 1961-62.

Because of the sharp decline in production, rice imports will be needed to maintain consumption in the latter part of the marketing year beginning June 1. Although the outlook for current production is poor, large stocks are available from last season's good crop.

The Government of Peru states therefore that imports will not be needed until January 1964, when at least 35,000 metric tons of milled rice imports will be required. This is a minimum import, and import demand could be considerably larger.

A sharp decline in rice imports in 1962 from the 1961 level, 8,671 tons, was due to the large crop of 1962. Only 1,210 tons of milled rice (mainly from the United States), 7 tons of rice flour, and 15 tons of spaghetti made of rice flour were imported. The latter two were mostly from Hong Kong.

Peru has not exported rice since 1954. An effort to export up to 60,000 tons in 1962 was unsuccessful. This failure now appears fortunate for Peruvian consumers, in view of the small current crop.

PERU: MILLED RICE, SUPPLY AND DISTRIBUTION, MARKETING YEARS 1961-63 [1]

Item	1961	1962	1963 [2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*
Supply:			
Opening stocks	47.5	45.9	54.0
Production [3]	[4] 204.7	[4] 227.1	[4] 125.0
Imports	8.7	1.0	60.0
Total supply	260.9	274.0	239.0
Distribution:			
Human consumption	207.0	212.0	218.0
Seed and waste	8.0	8.0	7.0
Total disappearance	215.0	220.0	225.0
Closing stocks	45.9	54.0	14.0
Total distribution	260.9	274.0	239.0
Per capita consumption (pounds)	40.6	40.3	40.3

[1] Rice planted mainly in November-December; harvested May-June. Marketing year begins June 1, after harvest. [2] Preliminary. [3] Of preceding crop year. [4] About 5,000 tons in fringe areas not included.

Based on official data and trade estimates.

U.S. Wheat Exports Rise in March

U.S. wheat exports in March 1963, at 55 million bushels, were larger than those of any month in the current fiscal year.

Despite this March increase, total shipments of wheat and flour during the first 9 months of 1962-63 were well below those of the same period a year earlier.

The May issue of *World Agricultural Production and Trade, Statistical Report,* will carry a story in detail, along with a table showing wheat and flour exports by country of destination for July-March 1961-62 and July-March 1962-63.

Burma Sells Rice to Czechoslovakia

The Revolutionary Government of Burma signed an agreement with Czechoslovakia on April 30 to export 25,000 tons of milled rice to the latter country. Sales were all of the 1962-63 crop: 10,000 long tons of Ngasein, Burma, 15-percent broken; 10,000 of Emata, Burma, 15-percent broken; and 5,000 of Emata Lon-sein (undermilled brown rice).

Prices were not reported. Agreements with other countries have specified £43 10 s. per long ton ($5.44 per 100 lb.) for Emata and Ngasein, 15-percent broken.

This is the first government sale of lon-sein this year. Since only its outer husk has been removed, it is priced at £36 per long ton ($4.50 per 100 lb.).

Iraq May Permit Rice Imports This Year

Iraq may permit imports of about 20,000 metric tons of milled rice before the next October-November harvest. In a recent report, requested by the Ministry of Commerce, importers and dealers indicated inventories of 40,000 tons, and farmers and merchants hold an additional 10,000 tons.

At Iraq's consumption rate of 10,000 to 12,000 tons a month, these reported stocks are sufficient for several months. However, imports will be needed for 2 to 3 months' requirements before new crop rice is available. Import licenses are not expected to be issued before June or July, when the Ministry will determine whether imports will be necessary this year.

Cotton Linters Exports Up This Season

U.S. exports of cotton linters, mostly chemical qualities, totaled 216,000 running bales in the first two-thirds (August-March) of the current season. This is a rise of 23 percent from the 176,000 bales exported in the same months a year earlier.

Quantities exported to principal destinations from August 1962 through March 1963, with comparable 1961-62 figures in parentheses, were: West Germany 100,000 bales (89,000); Japan 69,000 (40,000); the United Kingdom

18,000 (26,000); Canada 14,000 (11,000); The Netherlands 7,000 (2,000); East Germany 3,000 (0); France 2,000 (7,000); Spain 1,000 (0); and Australia 1,000 (1,000).

Exports in March amounted to 37,000 bales, compared with 51,000 in February and 24,000 in March 1962.

Mohair Exports Higher in 1963

U.S. exports of mohair in the first quarter of 1963 totaled 4.1 million pounds, up 17 percent from the same period last year.

Shipments to the United Kingdom, Italy, and Japan were up from the previous year, offsetting decreased exports to the Netherlands, Belgium, and West Germany.

The trend in exports has been downward since the peak year, 1959, when 18.6 million pounds were shipped. Fashion changes and use of substitute fibers have been largely responsible for the more or less erratic demand and prices.

MOHAIR:[1] U.S. EXPORTS,[2] ANNUAL 1958 TO 1962, JANUARY-MARCH 1962 AND 1963

Country of destination	1961	1962 [3]	Jan.-March 1962	Jan.-March 1963	Increase or decrease, 1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
U.K.	7,246	6,463	1,904	2,123	+219
Netherlands	1,765	1,926	372	330	—42
Belgium	1,167	1,418	394	314	—80
Italy	379	1,003	148	309	+161
Japan	2,088	969	420	738	+318
Switzerland	209	372	64	146	+82
Germany, W.	138	151	78	13	—65
Canada	323	79	49	26	—23
Other	208	159	37	95	+58
Total	13,523	12,540	3,466	4,094	+628

[1] Includes other wool-like specialty hair. [2] Clean content. [3] Preliminary. Bureau of the Census.

U.S. Exports of Livestock Products Rise

Exports of most livestock products were higher in March than in the same months in 1962. However, for the January-March period several commodities remained below amounts exported in the same period last year.

Shipments of animal fats in March, with the exception of edible tallow, were up sharply, although the totals for the first quarter trailed the previous year as a result of the shipping strike in early 1963. Lard exports in March at 40.5 million pounds reflected increased buying by the United Kingdom. Larger inedible tallow shipments to West Germany, Italy, Spain, and the Netherlands accounted for the unusually heavy exports during March.

Red meat exports were above the previous year for both the month of March and the first 3 months of this year. Larger pork shipments to Canada accounted for most of the increase. Hog marketings in Canada have been below normal, and prices have been as much as $7.00 per hundredweight (dressed) higher. These conditions have attracted increased imports.

Variety meat exports increased sharply in the early months of the year because of larger purchases in Common Market countries and the United Kingdom. Part of the increased EEC buying may be in anticipation of higher duties which may go into effect for pork variety meats on July 1.

Larger exports of casings to Canada, the United Kingdom, and Spain in the first 3 months offset smaller shipments to the Netherlands, West Germany, and Switzerland.

Mohair exports during March were about the same as last year. For the first quarter of the year however, shipments were nearly one-fifth higher. There has been renewed interest in the United Kingdom, the largest market, as well as in Italy and Japan.

U.S. EXPORTS OF LIVESTOCK PRODUCTS

(Product weight basis)

Commodity	March 1962	March 1963	Jan.-March 1962	Jan.-March 1963
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	33,560	40,496	111,915	97,102
Inedible tallow and greases [1]	118,680	165,065	398,986	378,891
Edible tallow and greases [2]	1,520	985	2,903	1,951
Meat:				
Beef and veal	1,933	2,075	6,223	5,995
Pork	4,266	13,132	12,620	31,800
Lamb and mutton	698	109	978	301
Sausage:				
Except canned	124	160	260	334
Canned	61	96	189	167
Baby food, canned	101	37	238	182
Other canned meats	146	143	343	308
Total red meat	7,329	15,752	20,851	39,087
Variety meat	10,903	16,513	28,268	39,557
Sausage casings:				
Hog	1,233	1,378	3,277	3,469
Other natural	328	344	844	935
Mohair	1,378	1,318	3,466	4,094
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	515	734	1,660	1,740
Calf	214	139	442	342
Kip	23	22	90	48
Sheep and lamb	159	208	430	601

[1] Includes inedible tallow, oleic acid or red oil, stearic acid, and other inedible animal greases, fats, and oils. [2] Includes edible tallow, oleo oil and stearin, oleo stock and shortenings, animal fat, excluding lard.

U.S. Ranch To Develop Australian Cattle

A large Texas ranch, in cooperation with the Australian Government, plans to develop 50,000 acres of dense rainforest country near Tully on the coast of Queensland for a beef-cattle fattening enterprise. When this area is fully developed, it is expected to have cost the cattle firm over $2.4 million.

The managing director of the ranch has announced that his company has accepted Queensland's offer of a special lease in return for the undertaking of large-scale development. Queensland's forestry department plans to have the area cleared of millable timber in 4 years. This would set the pace of the enterprise, which will take about 5 years to reach full development.

The managing director stated that the project, a pilot operation, would be of immense value to show what can be done in the high rainfall areas. If successful, the ranch could fatten 15,000 to 20,000 head of cattle annually for sale at a time of year when supplies from normal sources

are scarce. This would make possible prolonged seasonal operations at some northern slaughter plant.

In 1962 the same Texas company, along with a large meat-processing organization, acquired between them eight large Queensland properties held by the Queensland National Pastoral Company.

Australian Meat Moves to the U.S.

Four ships left Australia the third week of April with 10,124,800 pounds of beef, 1,536,640 pounds of mutton, 91,840 pounds of lamb, and 4,480 pounds of variety meats for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
	Eastern ports and St. Lawrence Seaway			*Pounds*
City of Winchester	Norfolk	[2]	Beef	17,920
Apr. 17	Charleston	May 20	Beef	194,880
	Boston	24	Beef	302,400
			Mutton	73,920
	New York	27	Beef	3,333,120
			Mutton	143,360
			Lamb	33,600
			Var. meats	4,480
	Philadelphia	June 2	Beef	230,720
	Baltimore	6	Beef	145,600
Baltic Sea	Charleston	[2]	Beef	427,840
Apr. 19		[2]	Mutton	94,080
	Philadelphia	May 28	Beef	701,120
			Mutton	118,720
			Lamb	22,400
	New York	30	Beef	3,277,120
			Mutton	680,960
			Lamb	33,600
	Boston	June 1	Beef	797,440
			Mutton	44,800
	Detroit	16	Beef	73,920
			Mutton	336,000
			Lamb	2,240
	Western ports			
Cap Corrientes [3]	Seattle	May 1	Beef	4,480
Apr. 14	San Francisco	4	Beef	58,240
	Los Angeles	8	Beef	165,760
Oronsay	San Francisco	5	Beef	67,200
Apr. 19				
Anna Bakke	Seattle	June 6	Beef	280,000
Apr. 20	Portland	13	Beef	100,800
	Los Angeles	21	Beef	51,520
	San Francisco	25	Beef	123,200
			Mutton	44,800

[1] Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale. [2] To be transshipped. [3] In addition to amounts reported in *Foreign Agriculture*, May 13, 1963.

French Government Increases Beef Prices

On May 7, the French Council of Ministers announced new target prices for beef. From May 1 to June 15, the target prices for beef cattle paid on a carcass weight basis will be 45 cents per pound for first class cattle and 38 cents per pound for second class. Previous prices were 44 cents per pound for first class and 37 cents per pound for second class. From June 15 on, the prices are to be increased to 46 cents and 39 cents, respectively.

To bring about these target prices, the French Government, through its Government Price Support and Storage Agency for meat, will trade on the Villette market, Paris.

The increase in prices paid to farmers will be reflected in an increase in retail prices. It is expected that the government agency will be forced to increase its purchases of beef in order to support the market at the new high prices.

Anthrax Disease Outbreak In San Salvador

The livestock section of the Ministry of Agriculture has quarantined the village of San Jacinto and started intensive vaccination campaigns among healthy animals in two affected areas. The director of livestock blames these outbreaks on the failure of livestock owners to vaccinate twice a year as recommended by the Ministry. The vaccinations are suggested for May and November.

Local newspapers reported two persons died and a number became gravely ill from eating the meat of a diseased animal. Because of the human deaths, livestock owners are expected to be more conscientious in participating in other vaccination programs.

Ireland's Trade in Dairy Products

Ireland's butter exports, increasing for several years, rose another 6 percent in 1962, to 36 million pounds. Shipments, however, were still below the postwar peak of 37 million pounds reached in 1958. Although the United Kingdom, long the principal market for Ireland's butter, took 81 percent of total sales, the increase also reflected the development of trade with other Western European countries. Among the new outlets were France, with 4 million pounds, and Italy, with more than 1 million. Sales to West Germany, an important market in 1961, increased 74 percent to over 1 million.

Exports of cheese continued to rise; in 1962 they increased 85 percent, to 10 million pounds. By far the largest shipment—8 million pounds—went to the United Kingdom. Sales to the United States were over 1 million pounds compared with 49,000 in the previous year.

Total dried milk exports were down 8 percent to 22 million pounds. A sharp decline in shipments to the United Kingdom—from 19 million pounds to 13 million—accounted for most of this decline, despite a rise in purchases by Venezuela to 8 million from 5 million in 1961.

Trade in chocolate crumb continued to expand, amounting to 90 million pounds, an increase of 10 percent over the preceding year. Major destinations were the United Kingdom, with 83 million pounds, and Canada, with 6 million pounds. Shipments to the United States, which began in 1959, have increased steadily each year, and in 1962 rose 37 percent to 467,000 pounds.

Turkey's Tobacco Exports Down

Turkey's exports of unmanufactured tobacco during the first quarter of 1963, at 69.6 million pounds, were down 16 percent from the 82.4 million pounds exported during January-March 1962. The decline is attributed to the below-normal 1961 harvest; however, the average export price per pound rose to the equivalent of 68.4 U.S. cents from 41.7 cents for the first quarter of 1962.

Smaller exports to the United States, Finland, Belgium-Luxembourg, Switzerland, Austria, Hungary, the USSR,

and Czechoslovakia, plus no shipments to either Italy or Yugoslavia, accounted for most of the decline. However, shipments to West Germany, East Germany, France, Spain, and Poland were up from the January-March 1962 levels.

Shipments to the United States totaled 43.8 million pounds, compared with 46.8 million in January-March 1962. Exports to West Germany rose to 7.4 million pounds from 4.0 million for the first quarter last year. Shipments to other countries, with comparisons for the January-March 1962 period in parentheses, included: France, 1.5 million pounds (.8 million); Poland, 4.2 million (4.0 million); Switzerland, 1.6 million (2.1 million); East Germany, 3.0 million (none); Italy, none (8.4 million), and Yugoslavia, none (2.6 million).

Average export prices per pound of leaf tobacco shipped to major destinations during the first quarter of 1963 in terms of U.S. equivalents were: The United States, 70.1 cents; West Germany, 64.6 cents; East Germany, 76.7 cents; France, 45.5 cents; Switzerland, 61.7 cents; and Poland, 80.2 cents.

Canada Cuts Surcharges on Tobacco Imports

The surcharges that the Canadian Federal Government levied on imports of unmanufactured tobacco and tobacco products on June 24, 1962, were reportedly reduced or removed as of February 20, 1963. The surcharge on cigars, cigarettes, and cut tobacco was reduced from 15 to 10 percent and that on unmanufactured tobacco, from 10 to 5 percent. The 5-percent surcharge on converted leaf for use in the manufacture of cigar binder also was removed. (*Tobacco Bulletin,* supplement to *Tobacco Intelligence,* April 1963).

U.S. Tobacco Exports Up in March

U.S. exports of unmanufactured tobacco in March 1963, at 36.0 million pounds, rose 26 percent over the 28.5 million exported in March 1962. Export value, at $27.4 million, was up 27 percent.

Exports of all major kinds of tobacco, except Maryland, were larger in March 1963 than in the same month a year ago. Flue-cured exports, at 23.8 million pounds, were up about 14 percent from the 20.8 million in March 1962, and burley exports, at 6.7 million, were nearly double the 3.6 million shipped out in March 1962. Kentucky-Tennessee fire-cured totaled 2.4 million pounds, compared with 705,000 last year.

For the first 9 months of fiscal 1963 total exports of unmanufactured tobacco were 371.5 million pounds (export weight)—down 11.8 percent from the 421.2 million exported in the corresponding period of fiscal 1962. For flue-cured, exports in the first 9 months of fiscal 1963 totaled 293.9 million pounds—down 14.7 percent from the 344.7 million shipped out in July 1961-March 1962.

U.S. exports of tobacco products in March 1963 were valued at $10.3 million—the same as in March 1962. A small drop in cigarettes was offset by larger exports of smoking tobacco in bulk. For the first 3 months of calendar 1963, the total value of tobacco product exports was $23.7 million, compared with the $28.9 million worth exported during January-March 1962.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO, MARCH 1963, WITH COMPARISONS

(Export weight)

Type	March 1962	March 1963	January-March 1962	January-March 1963	Percent change from 1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	20,808	23,800	55,582	53,183	—4.3
Burley	3,558	6,710	7,233	8,993	+24.3
Dark-fired Ky.-Tenn.	705	2,354	2,234	3,164	+41.6
Va. fire-cured [1]	45	282	849	2,207	+160.0
Maryland	1,704	855	2,544	1,288	—49.4
Green River	105	177	318	177	—44.3
One Sucker	39	22	59	43	—27.1
Black Fat, etc.	330	803	879	1,072	+22.0
Cigar wrapper	203	315	695	1,094	+57.4
Cigar binder	119	96	188	332	+76.6
Cigar filler	—	6	—	7	—
Other	875	607	1,382	1,878	+35.9
Total	28,491	36,027	71,963	73,438	+2.0
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	21.6	27.4	53.8	57.4	+6.7

[1] Includes sun-cured.
Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS, MARCH 1963 WITH COMPARISONS

Product	March 1962	March 1963	January-March 1962	January-March 1963	Percent change from 1962
Cigars and cheroots					*Percent*
1,000 pieces	2,448	1,871	5,226	5,884	+12.6
Cigarettes					
Million pieces	2,097	2,043	5,940	4,772	—19.7
Chewing and snuff					
1,000 pounds	62	53	168	156	— 7.1
Smoking tobacco in pkgs.					
1,000 pounds	77	83	171	176	+ 2.9
Smoking tobacco in bulk					
1,000 pounds	744	959	2,060	2,010	— 2.4
Total declared value					
Million dollars	10.3	10.3	28.9	23.7	—18.0

Bureau of the Census.

Swiss Cigarette Exports Rise in 1962

Swiss exports of cigarettes during 1962 totaled 6.6 million pounds, compared with 5.2 million in 1961 and 4.4 million in 1960. Italy, the principal foreign market, took about four-fifths of Swiss cigarette exports last year, with other leading outlets including France and West Germany.

Switzerland ranks as one of the top 5 cigarette exporters in the Free World.

Pakistan Restores Jute Acreage Controls

Acreage controls for the 1963 jute crop in East Pakistan have been set in each district after 2 years without restrictions. The larger crops of 1961 and 1962 resulted in a buildup of stocks—principally of lower grades—and a decline in prices. The acreage allotments are based on the 1940 area. Quality of fiber, acreage, and local economic factors were considered in setting the various targets.

The government has encouraged growers to use every possible means to improve the quality of their fiber crop, increase average yields, and reduce the cost of cultivation,

in order to sell quality jute at a price that discourages use of substitutes while yielding a reasonable profit to growers. Pakistan grows approximately half of the world supply of jute and is the principal exporter of the raw fiber.

India Continues Minimum Raw Jute Price

The Indian minimum price for raw jute of about 7.7 cents a pound will not change for the 1963-64 season, according to an official announcement of April 8, 1963. The price is based on Assam bottoms variety, delivered Calcutta, and is the minimum at which jute may be bought by either the industry or the State Trading Corporation.

This minimum is the same as that for 1962-63, despite a plea from the industry to reduce the price to 6.9 cents. The reduction would have allowed Indian manufactured goods to compete more effectively in the world market with goods produced in countries where manufacturers use jute of a relatively lower price.

Brazil and the USSR Make Trade Pact

A 5-year bilateral trade agreement was recently signed between Brazil and the Soviet Union. During the next 3 years the value of the trade will approximate $160 million, $200 million, and $225 million, respectively. Exports to the Soviet Union will consist chiefly of coffee, cocoa, and vegetable fibers. In turn, Brazil will import principally wheat and petroleum products.

Rhodesia-Nyasaland's Oilseeds, Oil Output Up

The Rhodesia-Nyasaland Federation increased total commercial production of oilseed crops in 1962 by nearly 30 percent from 1961 and over 90 percent from 1960. Vegetable oil production recorded an increase of 5 percent from 1961.

Peanuts accounted for most of the oilseed increase, as improved marketing conditions and producer prices continued to favor their production.

Production estimates for 1963 indicate increases in all oilseed crops except sunflowerseed.

The rise in commercial production reduced 1962 import requirements about one-fourth from 1961 and resulted in a sharp increase of three-fourths in exports. Peanuts comprised 95 percent of the total amount of oilseeds and oils that was exported in 1962.

RHODESIA AND NYASALAND: COMMERCIAL VEGETABLE OILSEED AND OIL PRODUCTION, 1961 AND 1962

Commodity	1961	1962
	Short tons	*Short tons*
Peanuts (shelled)	62,370	82,580
Cottonseed	9,666	13,225
Soybeans	376	646
Sunflowerseed	2,717	1,423
Tung nuts	4,248	4,580
Total oilseeds	79,377	102,454
Peanut oil [1]	10,000	10,500
Cottonseed oil [1]	750	750
Tung oil	1,384	1,530
Total vegetable oils	12,134	12,780

[1] Unofficial estimate.
Central Statistical Office, Salisbury, Rhodesia.

Mozambique's Fats and Oils Situation

Mozambique's total production of oilseeds in 1962 was nearly the same as that of 1961. Total vegetable oil production was up nearly 15 percent—edible oils increased 25 percent, but production of industrial oils declined 3 percent from 1961. Oilseed cake production declined 12 percent from that of the previous year.

OIL-BEARING MATERIALS, OILS, OILSEED CAKE: PRODUCTION IN MOZAMBIQUE, 1961 AND 1962

Item	1961	1962
Oil-bearing materials: [1]	*Metric tons*	*Metric tons*
Peanuts (shelled)	13,000	15,000
Cottonseed	75,000	70,000
Sunflowerseed	2,000	2,000
Sesame	2,500	4,000
Mafurra seed	4,000	4,000
Copra	65,000	65,000
Castor beans	1,000	2,000
Tung nuts	1,000	1,000
Total	163,500	163,000
Vegetable oils:		
Edible	9,973	12,304
Industrial	5,519	5,336
Total	15,492	17,640
Oilseed cake	33,515	29,377

[1] Revised.
Direcao dos Servicos de Economia e Estatistica Geral and unofficial estimates.

Combined exports of oilseeds, vegetable oils, and oilseed cakes in 1962 declined 4 percent from the previous year's total.

OIL-BEARING MATERIALS, OILS, OILSEED CAKE: EXPORTS FROM MOZAMBIQUE, 1961 AND 1962

Item	1961	1962
Oil-bearing materials:	*Metric tons*	*Metric tons*
Cottonseed	5,718	7,836
Peanuts	375	149
Copra	60,070	52,794
Sesame	2,044	3,834
Castor beans	932	1,623
Oilseeds (nonspecified)	2,297	1,444
Total	71,436	67,680
Vegetable oils	9,588	7,919
Oilseed cake	29,884	31,448

Direcao dos Servicos de Economia e Estatistica Geral and unofficial estimates.

The Republic of South Africa remains the largest market for Mozambigue's oilseed and vegetable oil exports.

Imports of edible oil (mostly olive oil) continue to trend upward. In 1962, they were 1,283 metric tons, a modest increase from the 1961 total of 1,192 metric tons. Portugal supplies the bulk of Mozambique's olive oil imports.

March Suez Canal Shipments Increase

The volume of oil-bearing materials moving north through the Suez Canal in March was one-fourth larger than in February and one-fourth larger than in March 1962.

Total shipments in October-March of the current U.S. marketing year were 11 percent greater than in the comparable period a year ago. Shipments of cottonseed, largely from the Sudan, were almost 2¼ times those in the first half of 1961-62. Peanut shipments, believed to have been mainly from India, were almost 60 percent larger than

last year. Shipments of copra, from the important Pacific producing area, increased by 11 percent, and those of castor beans, largely from Thailand, were up 75 percent.

In sharp contrast were the declines in soybeans, nearly 75 percent; palm kernels, 19 percent; flaxseed, 8 percent.

OIL-BEARING MATERIALS: SUEZ CANAL, NORTHBOUND, MARCH 1963 AND OCTOBER-MARCH 1962-63

Item	March		October-March	
	1962	1963	1961-62	1962-63
	M. tons	*M. tons*	*M. tons*	*M. tons*
Soybeans [1]	17,060	6,948	136,094	36,480
Copra	47,151	52,367	322,097	358,725
Peanuts	17,123	30,706	102,589	162,799
Cottonseed	13,599	22,860	57,235	127,651
Flaxseed [2]	5,053	8,701	22,638	20,759
Castor beans	1,468	3,031	16,781	29,268
Palm kernels	1,963	5,177	18,883	15,382
Other	18,825	24,041	75,672	84,384
Total	122,242	153,831	751,989	835,448

[1] 1 metric ton = 36.743333 bu. [2] 1 metric ton = 39.367857 bu.
Suez Canal Authority, Cairo, Egypt.

Soybean shipments from Mainland China in the first half of the current year, down to about a fourth of last year's comparable tonnage, reflected diversion of the relatively small export availabilities from the European to the Japanese markets.

SOYBEANS: SUEZ CANAL, NORTHBOUND, MONTHLY, JANUARY–MARCH, AND QUARTERLY TOTALS, 1959-62

Month and quarter	Year beginning October 1			
	1959	1960	1961	1962
	1,000 bu.	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
January	4,483	3,711	2,907	622
February	4,850	1,396	548	451
March	4,666	955	627	255
October-December	8,598	919	919	12
January-March	13,999	6,062	4,082	1,328
April-June	8,635	1,213	239	—
July-September	2,756	2,756	327	—
October-September	33,988	10,950	5,567	—

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

India Promotes Vegetable Oil Exports

The Government of India has announced new export incentives, effective April 15, to promote exports of castor oil and linseed oil by linking with them the imports of copra and palm oil. Exporters of ordinary castor oil will now be eligible to obtain import licenses for copra and palm oil to the extent of 10 percent of the f.o.b. value of their castor oil exports. Exporters of refined, perfumed, medicated castor oil will be entitled to import these same two commodities up to 15 percent of the value of their exports.

Exporters of linseed oil will be eligible to obtain import licenses for copra and palm oil to the extent of 20 percent of the f.o.b. value of exports for ordinary linseed oil and 25 percent for double-boiled, triple-boiled, or processed linseed oil.

Peanut oil exporters, who previously were allowed to import copra and palm oil to the extent of 50 percent of the f.o.b. value of their exports, are now permitted to import up to 60 percent of export value.

Bombay trade sources indicate that prices of castor, linseed, and peanut oils continue to be higher than world prices even after account is taken of the profit margins afforded by the imports of copra and palm oil. Although the differences in Indian and world prices currently are about £8 to 9 ($22.40 to $25.20) per ton for peanut oil, £12 ($33.60) for linseed oil, and £3 ($8.40) for castor oil, the new export incentives definitely have improved export prospects for Indian vegetable oils during the current marketing year.

Colombia's Output of Fats, Oils Expands

Colombian production of edible fats and oils in 1963 is forecast at 58,300 short tons, up 8 percent from 1962. The expected rise results largely from increased crushings of sesameseed and soybeans despite an expected decline in cottonseed.

Although cottonseed production, stimulated by government price supports and technical assistance from the Cotton Federation, in recent years has accounted for the largest source of edible vegetable oil production in Colombia, sesame production has become more popular under recent commercial prices. Moreover, some diversion of cotton land to sesame may have been influenced by the government's delay in raising support prices for cotton.

Under the program of the Colombian Cotton Development Institute, African oil palm plantings were increased to nearly 20,000 acres in 1962. Plans call for expansion to nearly 250,000 acres within the next 7 years. Peanut acreage, at less than 1,000 acres, or about the same as in 1961, is not expected to increase significantly.

COLOMBIA: PRODUCTION OF OIL-BEARING MATERIALS, EDIBLE FATS & OILS, CAKES & MEALS, 1961-63

Commodity	1961	1962 [1]	1963 [2]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
Oil-bearing materials:			
Cottonseed	140.0	143.9	121.3
Sesame seed	25.1	25.9	38.6
Soybeans	21.5	24.8	30.9
Copra	1.7	1.7	1.7
Total [3]	188.3	196.3	192.5
Edible fats and oils:			
Cottonseed	20.6	21.0	18.3
Sesame	12.5	12.3	18.1
Soybean	3.1	3.5	4.4
Coconut	.7	.9	.9
Lard	15.2	15.3	15.6
Other	.9	.9	1.0
Total	53.0	53.9	58.3
Cakes and meals:			
Cottonseed	61.7	63.1	54.8
Sesame	12.5	12.3	18.1
Soybean	17.3	19.3	24.4
Copra	12.3	11.3	9.6
Other	.7	.7	.7
Total	104.5	106.7	107.6

[1] Preliminary. [2] Forecast. [3] Excludes peanuts and other oilseeds produced in relatively small quantities.

Despite increased domestic production of edible fats and oils, about 45 percent of the domestic requirements are imported. Coconut oil, obtained largely from imported

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material, in recent years has been the major edible oil consumed in Colombia. However, imports have declined as a result of a government decree which requires that copra imports be reduced by 10 percent each year. The increased import requirements are being met by commercial purchases from Free World sources supplemented by imports of soybean oil from the United States under P.L. 480, Title IV (long-term credit).

COLOMBIA: TRADE IN OIL-BEARING MATERIALS, EDIBLE FATS & OILS, CAKES & MEALS, 1961-63

Item	1961	1962 [1]	1963 [2]
	1,000 short tons	*1,000 short tons*	*1,000 short tons*
IMPORTS			
Oil-bearing materials (copra)	33.1	30.2	27.2
Edible fats and oils:			
Soybeans	—	8.8	15.4
Coconut	22.2	19.5	17.5
Lard	.1	.1	.1
Other	1.0	6.9	12.1
Total	23.3	35.3	45.1
EXPORTS			
Cakes and meals:			
Cottonseed	2.6	6.6	7.7
Sesame	—	—	.6
Copra	—	2.2	3.3
Total	2.6	8.8	11.6

[1] Preliminary. [2] Forecast.

Private imports of cottonseed, soybean, and sesameseed and their oils are prohibited. No edible fats and oils are exported.

Cake and meal production is expected to increase slightly from the 1962 record of 106,700 tons. The increase is expected to result from a rise in the production of sesame and soybean meal despite a drop in cottonseed meal production. Over 90 percent of the total production of cake and meal was used domestically in cattle and poultry feeds in 1962. However, owing to the accumulation of stocks, increased exports, largely of cottonseed and copra meals, are expected this year. No cakes and meals are imported.

CORRECTION: In the article on the French wheat crop outlook, *Foreign Agriculture*, May 13 issue, page 7, figures in the second paragraph should read "12 million tons of a 26-million ton average;" and in the third paragraph, third line, change to "2.7 million acres."

WORLD CROPS AND MARKETS INDEX
(other commodity articles listed on page 2)

Cotton
10 Cotton Linters Exports Up This Season

Dairy and Poultry Products
12 Ireland's Trade in Dairy Products

Fats, Oilseeds, and Oils
14 Rhodesia-Nyasaland's Oilseeds, Oil Output Up
14 Mozambique's Fats and Oils Situation
14 March Suez Canal Shipments Increase
15 India Promotes Vegetable Oil Exports
15 Colombia's Output of Fats, Oils Expands

Grains, Feeds, Pulses, and Seeds
10 U.S. Feed Grain Exports Still Above 1961-62
10 Peruvian Drought Reduces Rice Crop
10 U.S. Wheat Exports Rise in March
10 Burma Sells Rice to Czechoslovakia
10 Iraq May Permit Rice Imports This Year

Livestock and Meat Products
11 Mohair Exports Higher in 1963
11 U.S. Exports of Livestock Products Rise
11 U.S. Ranch To Develop Australian Cattle
12 Australian Meat Moves to the U.S.
12 French Government Increases Beef Prices
12 Anthrax Disease Outbreak in San Salvador

Sugar, Fibers, and Tropical Products
13 Pakistan Restores Jute Acreage Controls
14 India Continues Minimum Raw Jute Price
14 Brazil and the USSR Make Trade Pact

Tobacco
12 Turkey's Tobacco Exports Down
13 Canada Cites Surcharges on Tobacco Imports
13 U.S. Tobacco Exports Up in March
13 Swiss Cigarette Exports Rise in 1962